

**WRITTEN STATEMENT OF
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INTRODUCTION

I am Susan Jackson, Vice President Business Development for The Right Place, Inc., a regional, private/public economic development organization serving Kent County and West Michigan.

BACKGROUND

Thank you for inviting me to speak about some of the exciting economic growth that is occurring in our region. This growth would not have been possible without the legislatively enacted tools and our partnership with The Michigan Economic Development Corporation (MEDC), local municipalities, and private businesses.

For nearly 25 years, The Right Place has advanced the West Michigan economy by focusing on our mission to promote wealth creation and economic growth in the areas of quality employment, productivity and innovation in West Michigan by developing jobs through leading business retention, expansion and attraction efforts. During the last five years, The Right Place has assisted **2,332** companies to:

- Invest **\$467 million** in West Michigan
- Create more than **\$228 million** in new payroll
- Create and retain **8,366 jobs**

Last year alone, despite the challenging economy, The Right Place was directly involved in more than \$70 million in capital investment and over \$75 million in new payroll. Our organization was directly involved in creating and retaining more than 1,600 jobs. In addition we assisted more than 600 businesses with specific needs.

In 2008, The Right Place developed its new, five-year strategic plan in cooperation with our board, investors, and the regional business community. Out of that planning process, we identified a significant shift on the development of our region, and the importance of diversifying our economy.

Our new strategic plan continues our history of executing solid economic development strategies. As we continue to evolve and adapt to the needs of our region, its companies and professionals, we are leveraging the more than \$1B investment in life sciences and health care facilities, as well as additional investments and assets in advanced manufacturing, alternative energy and materials, and aerospace and defense. Our new strategic priorities reflect a specific focus on these areas of opportunity as we pursue three strategic priorities:

- Business development
- emerging industry growth
- and advanced manufacturing innovation.
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Highlights of our activities in these areas are as follows:

BUSINESS DEVELOPMENT

Retaining and growing existing businesses is the mainstay of economic development, and represents the majority of Right Place activity. We rely on our existing companies to create the jobs and investment that drive our economy and support our ability to position West Michigan as a premier location for business growth. They are our ambassadors and best assets as we market West Michigan globally. Their goodwill and profitability say more about the value of investment in our area than the most eloquent spokesperson or engaging marketing piece.

Recent Successes include:

Precision Aerospace – During the summer of 2008, Precision Aerospace Corp. found themselves on a short-list of bidders for a sizeable aerospace contract. We worked the City of Wyoming and the MEDC on a comprehensive tax incentive package to give them an edge in the competitive bidding process.

The new contract combined with Precision Aerospace's future growth plans are expected to create 190 new jobs and retain the company's existing Michigan complement of approximately 100 workers.

Project Summary:

- **\$10.1 million in capital investment**
- **190 new jobs**
- **\$4.34 million in new payroll**

Priceline.com -- Last year, The Right Place was contacted by a site location consulting firm representing Priceline and their international business unit, booking.com, headquartered in Amsterdam. booking.com was planning to locate its first North American Customer Care Center. The consultants reviewed data on 100 US cities and selected three finalists. The Grand Rapids metropolitan area was one of those three. Company executives flew in to visit the community and tour potential buildings. After that visit we became their number one choice.

The Right Place quickly assembled a project team with representatives from the MEDC, local municipalities and Right Place staff. This collaborative team assisted Priceline throughout the project; connecting company representatives with local business resources, providing

consultation on the MEGA application process, conducting site search tours, and even providing space within The Right Place offices enabling the company to immediately conduct job interviews. Working with the state, a comprehensive MEGA incentive package including local and state tax abatements and credits for job training were provided to Priceline.

Project Summary:

- **\$7.7 million in capital investment**
- **424 new jobs**
- **\$23.5 million in new payroll**

Bissell, Inc. -- Bissell, Inc. is one of the largest and oldest suppliers and manufacturers of floor care products in the world, with products including sweepers, vacuums, deep cleaning machines and cleaning formulas. Although the company has moved much of its production out of West Michigan, its corporate headquarters as well as production of its floor care cleaning products remain in Walker.

Last year, the company was looking for a place to locate a new R&D "Innovation Center" and was considering an expansion at its Walker facility as well as another possible location in Shenzhen, China. The Innovation Center will encompass both mechanical and chemical research and development engineering and supply chain management, and would retain 79 jobs in West Michigan. The second phase of the project involves an expansion of Bissell's current operations, including research and development, sales and marketing, supply chain, finance and administration.

Working with the MEDC and local municipalities, The Right Place developed a comprehensive MEGA incentive package including local and state tax abatements and credits for job training to keep the project in West Michigan. The resulting \$8.3 million investment will create 109 new jobs for the region.

Project Summary:

- **\$8.3 million in capital investment**
- **188 new and retained jobs**
- **\$6.5 million in new payroll**

International Business Attraction:

Today, every region competes on a global level for economic development. The Right Place continues to be the lead economic developer in international business attraction for West Michigan. Each year our organization travels to Asia, Europe, Israel and other areas of the world marketing West Michigan's resources and talent.

Building on the region's strong reputation as a great place to do business, The Right Place offers international expanding businesses the same business development services as U.S.-based companies. Birgit Klohs, and other members of our organization continue to work with companies abroad, providing a wide variety of services, from custom business research and site consulting to managing travel visas for site visits in Michigan.

Marketing Through Trade Shows:

The Right Place also works closely with the State of Michigan and the MEDC participating at national trade shows for strategic target industries including life sciences (BIO) and wind energy (AWEA). These trade shows provide an environment in which to meet and network with a large pool of potential businesses for future business development as well as market the region and the state to the show's attendees.

Reaching Out to Site Consultants:

The field of economic development has changed dramatically over the past decade. When once we worked directly with a prospective company on their business expansion plans, we now work with a growing industry of professional site consultants. Site consultants, also known as corporate location specialists, work on behalf of a corporation to analyze possible location sites for the business. This new aspect of business development has dramatically changed the way economic development and business attraction is handled today.

As a proactive strategy, They Right Place is working with national site consultant agencies to develop deep relationships between our organizations. We continue to reach out, keeping Michigan and West Michigan at the forefront of their location selection process for the companies they represent.

And realizing that much of today's location research is performed over the Internet, we continue to adapt and update our own website to better serve this group of consultants. Today, something as simple as difficult to navigate website can mean the difference between a company pursuing West Michigan and a company moving on to another location.

Talent Attraction and Retention:

The continued growth of West Michigan's economy relies on access to talented, trained professionals in a wide range of fields—from certified welders to technicians, researchers and business leaders. We understand the critical value of a highly skilled workforce, and we're working with regional businesses to forecast their long- and short-term human resource needs and to support their efforts.

We work closely with area colleges, professional training centers, and MichiganWorks to ensure that area businesses and talent can locate each other in a timely manner. We are also positioned in a strategic location between West Michigan businesses and colleges as a liaison

between these two groups. Our colleges want to graduate students with the skills that area businesses need, and area businesses are eager to provide colleges with the requirements they are seeking in young professionals. Bringing these two groups together in a collaborative environment will help secure the long-term vitality of our workforce.

ADVANCED MANUFACTURING INNOVATION

Process Improvement Strategies:

Providing services that support our manufacturers' efforts to increase competitiveness and efficiency is a core strategy of The Right Place. For nearly 18 years, we have served as the West Michigan Regional office of the Michigan Manufacturing Technology Center (MMTC-West). The MMTC is a statewide organization that is one part of the Manufacturing Extension Partnership – a program of the National Institutes of Science and Technology under the U.S. Department of Commerce. Federal funding for the MMTC is matched by state funding from the MEDC as well as client fees. The federal portion is roughly a third of the MMTC's overall budget. MMTC's public funding is used to support outreach activity, informational events, program development, communications, and industry benchmarking assessments. In our role as the West Michigan regional office, we serve nearly 4,000 manufacturers in a 17-county region. In that role, we have continuously adapted our product offerings and customized assistance services to meet the changing needs of our MMTC clients. Those services have evolved from quality improvement programs, to lean manufacturing, to new strategies in sustainability and market diversification. Services are provided in a variety of formats – from sunrise breakfast events to half-day workshops to year-long intensive user groups.

Market Diversification

Increasingly, our work with manufacturers has expanded to include market diversification strategies – from assistance in identifying new markets for existing products to supporting the commercialization of new innovations.

To that end, The Right Place/MMTC-West recently partnered with the MEDC to offer a full-day market diversification conference for West Michigan automotive suppliers. The event was designed to bring potential growth opportunities in aerospace, government contracting, medical devices and alternative energy to West Michigan manufacturers and was attended by more than 300.

Following the event, we offered six, in-depth workshops providing more detailed, tactical information on each industry. In addition, we continue to provide market diversification training and consulting – offering both strategic and tactical market diversification programs that can be tailored to a company's specific needs.

The MEDC is a significant, strategic partner in these efforts, providing job training grants to eligible manufacturers pursuing market diversification as well as its on-going support of MMTC programs and services. Without the incentives and programs offered by the state and programs like MMTC, many West Michigan manufacturers would not have local resources to assist them. The fact that these programs and dollars exist provides direction for struggling companies as well as a short-term path to survival and a long-term plan for success.

In 2008 alone, MMTC-West assisted 234 West Michigan manufacturers whose MMTC projects produced \$1.6 million in savings and \$33 million in increased sales.

Recent Successes include:

Grand Rapids Controls – With a history of being customer-focused, Grand Rapids Controls, headquartered in Rockford, Michigan, has grown from a small domestic cable manufacturer to a global supplier of motion control systems. With manufacturing facilities in Michigan and China, the company provides competitive solutions and services.

In collaboration with MMTC-West, the company embarked on a full Green Supplier Network (GSN) assessment, training, and on-site coaching program for key management employees and team leaders. During the initial GSN assessment, several shop floor processes were reviewed and evaluated including, scheduling, manufacturing, and environmental systems for Grand Rapids Controls' "RT" product line. From that assessment the company identified significant opportunities existed to minimize scrap, reduce inventory, energy and water use.

The Green Suppliers Network works with large manufacturers to engage their suppliers in low-cost technical reviews to identify strategies for improving process lines and using materials more efficiently. The Lean and Clean Advantage targets and eliminates the root causes of waste. The result is a stronger bottom line.

Grand Rapids Controls was also benchmarked against similar manufacturers. The information provided baseline data the company used to identify a number of specific opportunities to increase efficiency and overall quality of the parts produced.

Worden Company – Providing wooden furniture, decorative end panels for shelving, lounge and study seating for libraries and other public institutions since 1949, the Holland-based Worden Company had prided itself on its ability to serve its customers. Used to fulfilling large orders from a catalog of standard offerings, new demands for more stylized, custom furniture saw Worden struggling with lead time, quality and culture issues.

The Right Place linked Worden to local lean provider Jim Lewis with The Center for Lean Learning, which guided the company through a number of lean manufacturing projects.

“Our on-time order completion has improved 20 percent, inventory turns are trending up, and revenues per labor dollar spent are trending up as well, “ said Tavan Hendrick, Worden’s Vice President of Operations. “One of our 18-month goals is a 50 percent reduction in work-in-process and we are on track to reach that. Any manufacturer knows, that’s free money that’s not sitting on your shop floor. It’s a significant savings for us. ... We feel that embracing lean is the only way we are going to survive in the long term. We’ve seen a trend in the architecture and design community to relax design specifications in favor of a lower price, especially in these public and non-profit projects where there are increasing budget constraints. It’s our only option for long-term sustainability.”

Fastco Co. – Fastco is no stranger to the concept of surviving to thriving. Founded as a cold header refurbishing company in the late 1960s, Fastco soon became a manufacturer of cold headed parts. It is this same determination to succeed that lead Bruce Tap and his management team to The Right Place, Inc./MMTC-West.

A phased, six-month project set a lean manufacturing foundation for Fastco, positioning the company as a thriving (vs. surviving) West Michigan manufacturer.

Assistance services included on-site assessments and several Lean manufacturing projects including three, off-site, 5 day, Lean Boot Camps completed by managers of varying responsibilities in the company.

While Fastco’s lean journey has just begun, the company has already seen a 600% increase in safety training hours, a 400% increase in process improvement recommendations as well as other improvements in on-time delivery and quality.

The MMTC Surviving to Thriving program has better positioned Fastco to adapt to changing market conditions.

InnovationWorks

The ability to innovate offers potential to stimulate growth in West Michigan businesses. That’s why we’re focused on fostering a business climate that encourages innovation and helps emerging startup to commercialize their ideas. In 2007, The Right Place – in collaboration with community partners, and supported by \$1 million seed grant from the WIRED (Workforce Innovation in Regional Economic Development) program – developed and launched InnovationWorks, a seven-county, regional collaborative designed to accelerate the process of turning ideas into commercial realities.

A cornerstone of InnovationWorks is its Idea Portal – a web-based portal that brings inventors, investors, manufacturers, attorneys, innovation coaches and others together in a virtual network. In just one year since its launch, the Idea Portal already contains 212 patent-protected innovations for possible commercialization. Approximately 54 of those innovations

come from international sources through partnerships forged by The Right Place. Additional sources include academic institutions – including a collaborative innovation-sharing partnership with Michigan State University.

Products invented, manufactured and commercialized in West Michigan could generate some \$5 million in new sales in the next year. One of those products, Select-A-Flush, a dual flush toilet retrofit kit that aids in water conservation, is currently in production. Some 14 new jobs for West Michigan have been created through InnovationWorks activities. Other first-year metrics include:

- **108 innovation plans for clients**
- **13 innovation events in West Michigan**
- **311 clients in the commercialization process**
- **5 collaborative innovation networks**

EMERGING INDUSTRY GROWTH

From expansions on Medical Mile to new investments in green materials and alternative energy, West Michigan is gaining momentum as a center of innovation. Such activity creates promise for the future of local companies and is a necessary evolution for our regional economy.

Life Sciences

Traditionally, life science-centered economic development builds from an established base of existing research universities or significant medical assets. However, West Michigan is unique in its ability to establish a significant life sciences presence in less than a decade.

Grand Rapids' Medical Mile is an innovative example of collaboration at all levels including the city of Grand Rapids, the state of Michigan, The Right Place, area foundations, various healthcare providers, local universities, and private investors. The resulting cluster of hospitals, clinics, research and medical education facilities, all in walking distance of one another, create an environment of face-to-face collaboration – an uncommon advantage in an often far-flung medical community.

Current projects alone – representing more than \$1 billion in investment and 4,000 new jobs – have established Greater Grand Rapids as one of the largest life sciences developments in the country, garnering attention from The New York Times and other national media

Recent Successes include:

Sequenom – The most recent addition to Grand Rapids’ Medical Mile is San Diego-based genetics and molecular diagnostics company **Sequenom, Inc.**, which looked at sites in Michigan, Indiana and Tennessee before acquiring a clinical diagnostics lab in Grand Rapids. The facility will be used to further develop its non-invasive prenatal tests, which will provide new abilities to test for genetic disorders as early as the first trimester of pregnancy.

The Right Place worked with the company as well as the city of Grand Rapids and the Michigan Economic Development Corp. (MEDC) to develop an incentive package. **The project includes a capital investment of approximately \$20.25 million over five years and the creation of up to 523 jobs by 2013.**

Sequenom continues to expand its presence in Grand Rapids recently acquiring the complete AttoSense™ portfolio of tests along with certain other assets from privately held Ann Arbor-based biotechnology company SensiGen LLC.

The acquisition includes analytically validated, ultra-sensitive and ultra-specific tests for detection and monitoring of human papillomavirus (HPV) -- the primary cause of cervical and head and neck cancers, systemic lupus erythematosus (Lupus), chronic kidney disease (CKD), inflammatory bowel disease (IBD), as well as other tests, all of which utilize Sequenom's proprietary MassARRAY® platform.

Building an Alternative Energy Supply Chain

The Right Place has an aggressive strategy to build West Michigan’s presence as a world-class center for alternative energy technology and power generation.

The Right Place and the West Michigan Strategic Alliance commissioned a comprehensive report on the alternative and renewable energy cluster including its potential economic impact and strategies for growth. The report showed that West Michigan could capture more than \$800 million in new investment and generate more than 4,250 new jobs by manufacturing more alternative energy components such as wind turbine blades. It also found the region could lure approximately \$400 million in energy investment and establish an additional 85 jobs by building wind fields, solar stations, and other power-generation facilities to diversify its own power grid. In fact, the potential for long-term investment in wind energy along the eastern shore of Lake Michigan, one of the windiest places in the nation, approaches \$4 billion.

In November 2008, The Right Place and MMTC-West hosted an Alternative Energy Manufacturing 101 event in Muskegon to showcase manufacturing opportunities in alternative energy – Wind, Solar and Bio-fuel in particular.

In addition, alternative energy has become an integrated part of our global marketing strategy, and we continue to identify and secure alternative energy investments, partnerships and resources in major U.S. markets as well as those in Europe, Asia and the Middle East.

Recent Successes include:

Rockford/Bergé – Most recently, The Right Place acted as a strategic network connection between Right Place investor Rockford Construction and the Spanish logistics firm Bergé Logística Energética, a world leader in comprehensive logistical services for energy development. Through its partnership with Bergé, Rockford and third partner, the MAPA Group, will source wind turbine component manufacturers and assemblers in Michigan, transport the parts, and construct the turbines at wind farms throughout the state. The partnership gives Bergé an entrée into Michigan's growing wind energy sector, and creates a new market for one of our region's largest construction firms.

Heat Transfer International (HTI)

This summer, Heat Transfer International (HTI) will begin to transform manure from 1.3 million turkeys at Sietsema Farms at Howard City into energy to run Sietsema Farm Feeds.

HTI's expansion is expected to bring in about 90 new jobs over the next five years. The city of Kentwood is utilizing the newly created Renewable Energy Renaissance Zone will help HTI transform a vacant building into a multimillion-dollar biomass gasification business.

City officials are convinced it's the start of something huge. Mayor Richard Root of Kentwood has stated, "This is something incredibly unique, something that could help us define our community."

At Sietsema Farm Feeds, the steam created during the gasification process will be used in feed production, while turbines hooked to generators will convert the steam into usable energy.

And although this project is still making its way through the local and state committees for approval, without the use of the new Renewable Energy Renaissance Zone legislation this project might not have happened.

Sustainability in West Michigan

The Right Place's dedication to sustainable business development and, specifically, the redevelopment of West Michigan's urban landscape is a vital component of our overall strategy for economic success. Today our efforts go beyond land and building use and reuse to include every aspect of the Triple Bottom Line (social, environmental and economic influences)—working with businesses to reach their sustainability goals.

These initiatives are only possible through extensive, on-going regional collaboration among cities, economic development organizations, private companies and legislators.

Recent Successes include:

U.S. Assistant secretary of commerce promotes sustainable manufacturing in Grand Rapids – Sustainable manufacturing practices in West Michigan continue to lead the nation. In September, The Right Place hosted the U.S. Commerce Assistant Secretary for Manufacturing and Services, William G. Sutton, and one of three nationwide Sustainable Manufacturing American Regional Tours (SMART) in West Michigan. SMART included tours of several regional manufacturers, showcasing their sustainable business practices. SMART is a part of the Commerce Department's nationwide effort to highlight sustainable manufacturing success stories and promote profitable, environmentally sound manufacturing practices.

Sustainable manufacturing seeks to produce goods and services while keeping a firm's environmental impact, natural resource use and energy consumption at a minimum. It has become increasingly popular in recent years as companies look for new ways to make more efficient use of resources, enhance the marketability of their products and services, and increase profitability.

Encouraging adaptive reuse through brownfield funds – Revitalizing urban centers and turning vacant properties into attractive investments requires significant investment in clean up. To expedite the clean up of these "brownfield" sites and encourage their reuse, we worked closely with three cities in the region to hone their grant applications, identify high-potential sites and guide them through the application process. This year, our work helped secure a combined \$800,000 in brownfield funds for three cities in West Michigan.

GrandWalk – One project that embodies the area's focus on sustainability is the 1,200-acre site known as GrandWalk. Once representing the economic prosperity of the City of Walker, it had become an area scarred by abandoned factories and vacant lots. Today, the site offers tremendous potential for a variety of industries, including goals to develop a region-wide industrial recycling zone.

In June 2008, elected officials, business leaders and economic development leaders celebrated the cornerstone development called Avastar Park, a major revitalization of the 750,000-square-foot former General Motors manufacturing plant at 2150 Alpine Avenue in Walker, located within GrandWalk. The more than \$15 million renovation of the plant established space for three manufacturers—Grand Rapids Spring & Stamping, Haviland Enterprises, and Amstore—to launch new endeavors, creating 200 new jobs.

CONCLUSION

Again, thank you asking The Right Place to testify before you today and detailed some of the economic growth successes coming from West Michigan and our organization. We value the collaborative partnership we have with all levels of government, from the local township and village to the State of Michigan here in Lansing.

We are strong believers that economic development is a team sport. It requires educational institutions to develop talent, local municipalities to maintain and develop needed infrastructure, economic developers to work together as a region, and state government as a proponent of business and an advocate for growth.

Thank you.